

PROJECT 2020

Building on the Promise of Home and Community-Based Services

Funding Assumptions and Elements

(S. 1257/H.R. 2852)

Project 2020 is a fully developed plan to enhance, in a precisely targeted way, the existing Aging Services Network system of home and community-based services. As such, the plan is based on conservative economic assumptions and the proven track record of programs already in existence. This document offers further details on the funding assumptions and elements of the three components of *Project 2020*.

Person-Centered Access to Information

Under this proposal, all states would receive funding to establish Single Entry Point Systems through the Aging Services Network with the goal of building statewide systems for person-centered access to information. Funding would begin immediately upon enactment of the legislation. *Project 2020* assumes that all states and the District of Columbia would receive a fixed amount to cover necessary infrastructure development and maintenance (\$300,000 in the first year and then increased for inflation). Territories and tribal lands would have a pool of \$1.8 million to be divided among them based on population. In addition, states would receive an average \$248,000 per year based on the share of population over 60 and those with disabilities, for a total of \$548,000 on average in the first year. The variable funding increases to meet expected increases in demand (greater increases in the early years as states scale up and more modest increases of 7-8 percent later). States would be required to match federal spending by 25 percent.

Forty-three states currently receive funding from AoA/CMS for ADRCs and this funding would be provided in addition to the original program funding; therefore, all states would receive the start-up costs of \$300,000 even if they currently have an ADRC model.



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Evidence-Based Disease Prevention and Health Promotion

Project 2020 assumes that all states would be eligible to receive funding for the evidence-based disease prevention and health promotion programs beginning the first year of enactment of the legislation. Under this part of the proposal, states and the District of Columbia would receive funding based on their share of the total U.S. population over age 60. It is assumed that the bulk of the funding would be set aside for chronic disease management programs and one quarter would be spent on falls prevention programs. The cost assumed for the Chronic Disease Self-Management proposal is \$197 per participant based on the costs of current AoA initiatives. The costs for the falls prevention programs are assumed to be \$87 per participant based on the costs of the “A Matter of Balance” program that many states currently use.

States would be required to assume a 15 percent share of the costs for this program instead of the usual 25 percent match. This change in financing was done in this proposal as an incentive to states and in recognition of the fact that all savings associated with this program would revert to the Medicare program—primarily through reduced hospital admissions, emergency room visits and medical costs associated with injuries.

Enhanced Nursing Home Diversion Services

The Enhanced Nursing Home Diversion Services component of *Project 2020* is targeted to individuals who are at risk of spending down into the Medicaid program. The proposal seeks to target individuals who are most at risk of spending down into the Medicaid program. The proposal seeks to assist individuals with two or more impairments, income less than \$22,932 (married less than \$34,416) and assets below \$25,000. This equates to 300 percent SSI with assets equivalent to a six-month nursing home stay. Under this proposal, all states would be participating in the program by 2012. The program would be phased in to all states under a competitive grant process one-third at a time. *Project 2020* assumes 5,000 individuals would be participating in the first year.

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The grant would provide for an average of \$2,628 of services per person, per month for the first three months; this would scale back to \$630 per person, per month afterwards. Individuals would be required to pay co-pays and cost sharing that mirror their state's HCBS program and would be given the option of having services provided through a consumer-directed model.

Funding to the states would be provided in a grant calculated by multiplying the estimated number of individuals to be served by the average monthly cost of services. The federal share will be set at the state's Medicaid FMAP plus 5 percent. As program-wide expenses are incurred and federal funds are drawn down, the state can claim the federal amount based on project expenses. The capped grants would be channeled to the Aging Services Network through the SUA, even if that SUA does not administer the Medicaid program. If able, the state can serve additional eligible individuals under this program, as long as they serve them under the budgeted allotment.

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